

SECOND-QUARTER 2008 SALES GROWTH IN LINE WITH EXPECTATIONS:

- Q2 2008 sales up 3% at constant exchange rates

FY 2008 TARGETS UNCHANGED:

- Sales growth of at least 6% excluding currency effects
- A 50 basis point improvement in the current operating margin¹

Paris, 2 September 2008

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €232.3 million for the second quarter of 2008 (ended 31 July 2008), a 4.9% decline compared to the same period in 2007. At constant exchange rates, sales were up 3.0%. In the first six months of 2008, the Group generated sales of €452.8 million, up 3.8% at constant exchange rates.

These figures integrate the sales of PFE², a British firm specializing in high-volume folders/inserters acquired by Neopost in early March 2008.

Denis Thiery, CEO of Neopost, stated: *"Our second-quarter 2008 sales figures are perfectly in line with our expectations for each geographic region. As expected, market conditions stabilized in the United States and we continue to report very solid performances in Europe. We have also made further progress with respect to the integration of PFE, which is proceeding very efficiently."*

Sales by region (unaudited figures)

€ million	Q2 2008 ³	Q2 2007	Change	Change at constant exchange rates	H1 2008 ³	H1 2007	Change	Change at constant exchange rates
North America	82.2	106.2	-22.6%	-11.0%	154.1	195.3	-21.1%	-9.5%
France	69.0	65.6	+5.1%	+5.1%	139.1	128.1	+8.6%	+8.6%
UK	33.8	35.7	-5.4%	+10.7%	67.3	72.7	-7.4%	+7.4%
Germany	18.0	14.2	+26.7%	+29.0%	36.2	28.7	+26.0%	+28.1%
Rest of world	29.3	22.5	+30.2%	+34.3%	56.1	45.6	+23.0%	+26.6%
Total	232.3	244.2	-4.9%	+3.0%	452.8	470.4	-3.8%	+3.8%

¹ Compared to the restated 2007 margin (current operating income/sale) of 25.2% which integrates PFE over 11 months

² Sales of PFE activities acquired by Neopost were about £26 million in 2007

³ Including PFE consolidated as of 1 March 2008

North America

Excluding the currency effect, second-quarter 2008 sales declined 11% compared to the second quarter of 2007, when sales reached record highs following a change in the postal pricing structure (*Shape Based Pricing*). Second-quarter sales were higher than in the first quarter due to the growth of recurring revenues and the levelling off of equipment sales. In the first half, sales declined only 9.5% excluding currency effects.

France

After the strong sales performance of the first quarter of 2008, second-quarter 2008 sales rose 5.1% compared to the year-earlier period. In the first six months of 2008, sales were up 8.6%.

UK

Sales growth accelerated in Q2 2008. Excluding currency effects, sales were up 10.7% compared to the second quarter of 2007. First half sales were up 7.4% at constant exchange rates, due in part to the integration of PFE.

Germany

In the second quarter of 2008, sales increased a record 29% compared to the second quarter of 2007, mainly due to Neopost's strong momentum in Germany. First-half 2008 sales were up 28.1%.

Rest of world

Excluding currency effects, second-quarter 2008 sales increased 34.3% compared to the year-earlier period thanks to very strong performances by European subsidiaries, notably Ireland and Norway, the expansion of leasing services, as well as the acquisition of distributors in Switzerland in August and October 2007 and in Sweden in June 2008. Since the beginning of 2008, sales have increased 26.6% at constant exchange rates.

Breakdown of sales by business line and activity

In the first half of 2008, excluding currency effects, mailing systems sales increased 1.3% while document and logistics systems sales increased 11.2% compared to the first half of 2007. Mailing systems accounted for 72% of overall sales and document and logistics systems for 28%.

As expected, equipment sales declined 8.0% in the first half of 2008 while recurring revenues increased 10.9% compared to the year-earlier period, excluding currency effects. The growth in recurring revenues is due notably to the increase in financial services, sales of supplies, postal rate changes and maintenance services. Recurring revenues account for 67% of total sales, compared to 33% for equipment sales.

Outlook

Neopost continues to benefit from the ongoing rise in recurring revenues, the positive impact of the growing contribution of direct distribution to sales and the strengthening of its product offer, notably with the integration of PFE.

As a result, the Group should meet its full-year 2008 targets of at least 6% sales growth excluding currency fluctuations and a 50 basis point improvement in the current operating margin compared to the restated 2007 margin of 25.2%, which integrates PFE over 11 months.

To reach these goals, the Group is counting on the expected impact of the decertification of non-digital franking machines in the United States and the continuation of good performances in Europe.

Denis Thiery concluded: *"The year 2008 should provide an opportunity to demonstrate the relevance of our solid and well-balanced business model by generating profitable growth in a tough economic environment."*

Calendar of events

First-half 2008 earnings will be reported after the market closes on 30 September.

Third-quarter sales figures will be released after the market closes on 2 December 2008.

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and number two world-wide supplier of mailing solutions. It has a direct presence in 15 countries, with more than 5.000 employees and annual sales of €907.1 million in 2007. Its products and services are sold in more than 90 countries, and the Group has become a key player in the markets for mailroom equipment and logistics solutions.

Neopost supplies the most technologically advanced solutions for franking, folding/ inserting and addressing as well as logistics management and traceability. Neopost also offers a full range of services, including consultancy, maintenance and financing solutions.

Neopost is listed in the A compartment of Euronext Paris. Its market capitalisation exceeds €2 billion.

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